



factor from Case No. 2015-00077<sup>2</sup> is \$4.1185 per Mcf, which is a decrease of \$.5449 per Mcf from the previous EGC of \$4.6634 per Mcf.

3. Valley Gas's notice sets out no current quarter Refund Adjustment.

4. Valley Gas's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$1.1813) per Mcf. Valley Gas did not use the \$5.3572 per Mcf EGC in effect for the months of January through March 2015 in calculating its current quarter ACA. Correcting this produces a current quarter ACA of (\$1.5481) per Mcf based on the Commission's standard practice of limiting line loss recovered through the ACA to 5 percent. The Commission takes note that, as reported in Case No. 2015-00077 and as confirmed in Valley Gas's 2014 Annual Report, its 2014 line loss was 2.7 percent. Based on system line loss of that level, the 30 percent line loss indicated in Valley Gas's ACA calculation is more likely a mis-match between its own billing cycle and that of its natural gas supplier. Using the actual numbers for Mcf volumes purchased and sold, which the Commission finds to be reasonable in this instance, produces a current quarter ACA of (\$1.1921) per Mcf. Valley Gas's corrected total ACA is (\$2.1812) per Mcf, which is a decrease of \$1.5016 per Mcf from its previous total ACA of (\$.6796) per Mcf.

5. Valley Gas's corrected GCR rate is \$1.9373 per Mcf, which is a decrease of \$2.0465 per Mcf from the previous GCR rate of \$3.9838 per Mcf.

6. The rate set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Valley Gas on and after July 1, 2015.

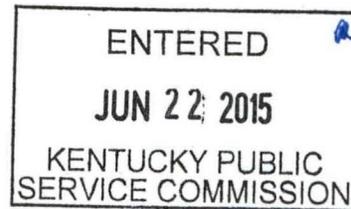
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<sup>2</sup> Case No. 2015-00077, *Purchased Gas Adjustment Filing of Valley Gas, Inc.* (Ky. PSC Mar. 19, 2015).

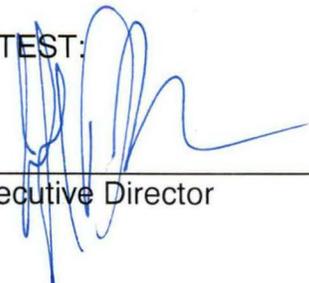
IT IS THEREFORE ORDERED that:

1. The rate proposed by Valley Gas is denied.
2. The rate set forth in the Appendix to this Order is approved for service rendered on and after July 1, 2015.
3. Within 20 days of the date of this Order, Valley Gas shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission



ATTEST:



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Executive Director



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